



# County of Los Angeles

## CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN  
Chief Administrative Officer

July 29, 2004

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To: Supervisor Don Knabe, Chairman  
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From: David E. Janssen  
Chief Administrative Officer

### SACRAMENTO UPDATE

#### State Budget

The Legislature has approved the budget bill, 20 budget-related trailer bills, SCA 4 (the proposed constitutional amendment containing the local government agreement), and two non-budget bills that became part of budget negotiations. The final votes, at least in the Assembly, were not without drama and controversy as many Republican members initially refused to vote for three of the budget trailer bills - the suspension of Proposition 42 funding for transportation and the omnibus tax and resource bills - unless changes were made. Last night, some five hours after taking up the budget and following changes to the tax and resource bills to satisfy Republican objections, the Assembly approved the entire package of bills on bipartisan votes. Today, the Senate followed suit after a lengthy debate over adoption of the memorandum of understanding with the Correctional Peace Officers' Association.

The Legislative Analyst's Office (LAO) has issued a report summarizing SB 1113, the Budget Bill. It can be found at [http://www.lao.ca.gov/2004/floor\\_packet/072804\\_Floor\\_sb1113.pdf](http://www.lao.ca.gov/2004/floor_packet/072804_Floor_sb1113.pdf). While the report does not address the impact of this year's budget on the State's recurring budget problem, the LAO is projecting budget deficits of approximately \$7 billion in FY 2005-06 and \$10 billion in FY 2006-07.

Now that bill language has become available, we have identified additional items of interest to the County including the following:

- Statutory intent language that would have stated that the property tax increment of redevelopment agencies was protected from a future ERAF shift was dropped due to disagreement over the language.

- Appropriates \$150 million each fiscal year, beginning in FY 2006-07, to K-14 education, until the entire amount that the State owes to fulfill the minimum Proposition 98 guarantee for the fiscal years 1995-96 to 2003-04, is paid.
- Restores full funding of \$38.2 million for the booking fee subvention to cities and special districts, limits booking fees to the amount charged on January 1, 2004, eliminates the continuing appropriation for the subvention in future years, and beginning in FY 2005-06, limits the booking fee to no more than half of actual costs.
- Omits a provision that would have made certain drug felons eligible for food stamps.
- Eliminates a number of fees, including authority for the Coastal Commission to increase fees to recover up to 50 percent of its costs.
- Requires counties with a large number of individuals, served by the Cash Assistance Program for Immigrants, to establish a State advocacy program which will receive State reimbursement, including for appeals, to help individuals to qualify for SSI benefits, a change which will increase the County's reimbursement for its current program.
- Provides \$1.5 million for citizenship training by community-based non-profits.
- Rejected the Administration's request for \$500,000 for a study of juvenile justice reform, pending further details.

In addition to these budget items, one of the budget trailer bills, SB 1119, amends election law to require that SCA 4, the local government constitutional amendment, will be on the top of the ballot as Proposition 1A. And to improve SCA 4's chances, it places Proposition 65 on the supplemental ballot and allows its proponents to withdraw their supporting arguments and submit an opposing argument urging support of Proposition 1A. It also includes the title, summary, and label for Proposition 1A.

We will continue to keep you advised as additional details become available.

DEJ:GK  
MAL:JR:ib

c: Executive Officer, Board of Supervisors  
County Counsel  
Local 660  
All Department Heads  
Legislative Strategist  
Coalition of County Unions  
California Contract Cities Association  
Independent Cities Association

Each Supervisor  
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League of California Cities  
City Managers Associations  
Buddy Program Participants